6/15/81

B 8131-1 (4)

THE KSA PERSPECTIVE

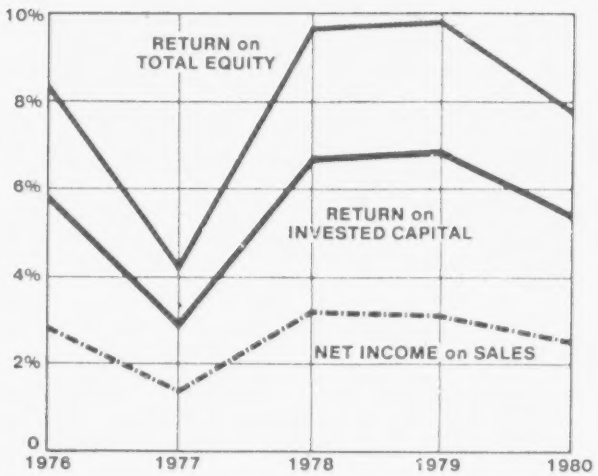
for Textile Management

Published by Kurt Salmon Associates, Inc.

No. 32, June 1981

KSA's TENTH ANNUAL PERFORMANCE PROFILE OF TEXTILE COMPANIES

An analysis of the fiscal 1980 financial performances of 60 publicly owned textile manufacturers



Key Performance Indicators — Industry Composite

The textile industry, as represented by the 60 public companies whose data are included in this year's Profile, was not immune to the short but steep recession of 1980. Measured by returns on equity and invested capital, and net income on sales, the industry suffered declines.

Although the results for all segments of the industry on a combined basis mirrored the general recession, the knitting and carpet segments showed a recovery from fiscal 1979.

Knitting firms managed to reach a five-year high in composite net after-tax income on sales, increasing from less than 1% to over 4%; woven piece goods manufacturing was the only other area of the industry to achieve after-tax returns in excess of 4% on sales.

With net income on sales declining to closely approach the 2% levels of 1977, textile's profit picture was once again rather bleak.

Looking at a longer period, a review of the past ten years' Profiles reveals that only eight companies have operated at better than 4% income on sales over the period.

For a welcome change, the best performer among the six industry segments in this year's Performance Profile was knitting, where return on equity rose to a five-year record in excess of 18% and return on invested capital went from 1% to over 12%. Fab Industries, Guilford Mills, and Liberty Fabrics led this segment, indicating the strength of warp knits. These firms were not only able to survive knitting's long dry spell, but performed well. Marginal firms, particularly in double knit, continued to suffer. *(cont'd on p. 2)*

Copyright June 1981 by Kurt Salmon Associates, Inc.

INDUSTRY SEGMENT RESULTS AND TOP PERFORMERS

Industry Segment Top Performers* and Averages	No. of Firms Reported	Sales ($000)	Net Income ($000)	Net A.T. Income on Sales %	Return on Total Equity %	Total Debt to Assets	Return on Total Assets %	Sales to Total Assets	Gross Margin %	Oper. Margin %	Inv. Turns	Return on Invested Capital
Carpet and Rug (C)												
Peerless Rug		97,953	3,664	3.74	19.61	.70	5.70	1.52	25.95	8.35	2.73	14.01
Shaw Industries		213,069	5,609	2.63	13.66	.64	4.78	1.81	16.89	7.15	5.62	6.01
1980	9	941,685	7,121	.76	3.88	.64	1.37	1.81	19.05	4.07	4.35	2.15
1979	9	913,478	4,767	.52	2.65	.64	.95	1.82	17.96	3.62	4.57	1.42
Textile Consumer Products (T)												
PRF Corp.		53,505	4,212	7.87	20.64	.18	16.76	2.13	30.03	15.20	4.17	20.27
Fieldcrest Mills		527,229	19,435	3.69	12 15	.49	6.15	1.66	21.35	7.73	5.47	8.17
1980	6	1,328,663	45,213	3.40	8.60	.36	5.50	1.61	17.12	5.90	5.01	7.37
1979	6	1,260,537	71,632	5.68	14.35	.35	9.26	1.63	20.15	9.79	4.97	12.01
Knitting (K)												
Guilford Mills		242,635	22,409	9.24	32.72	.39	19.69	2.13	27.22	19.24	6.92	25.69
Lehigh Valley		125,087	1,643	1.31	31.18	.90	3.10	2.36	16.96	6.69	4.80	4.66
1980	10	740,980	31,116	4.20	18.33	.52	8.71	2.07	20.25	10.18	5.14	12.43
1979	10	672,010	2,494	.37	1.75	.58	.73	1.96	20.37	10.06	4.84	1.10
Woven Piece Goods (P)												
Bay Mills		28,207	26,361	4.75	16.05	.58	6.94	1.46	+	+	+	12.54
Cone Mills		729,685	51,246	7.02	15.77	.22	12.27	1.74	21.83	11.79	5.12	14.85
1980	13	2,841,983	124,122	4.37	11.98	.38	7.40	1.69	15.97	8.04	5.52	9.69
1979	13	2,587,577	122,544	4.74	12.93	.37	8.09	1.71	15.77	7.94	5.42	10.37
Spun/Textured Yarn (Y)												
Carolina Mills		93,363	4,593	4.92	16.36	.35	10.50	2.13	+	+	+	13.64
Ti-Caro		251,007	15,675	6.24	15.37	.30	10.75	1.72	18.92	12.51	5.22	12.98
1980	10	1,055,568	24,542	2.33	7.71	.40	4.57	1.96	11.73	5.42	7.49	5.97
1979	10	1,024,731	38,947	3.80	12.56	.40	7.45	1.96	13.19	7.51	7.25	9.63
Diversified (D)												
Wabasso		117,111	4,062	3.47	16.46	.68	5.22	1.50	+	+	+	12.95
Dominion Textiles		756,944	34,946	4.62	15.63	.58	6.45	1.39	+	+	+	10.20
1980	12	10,294,530	182,632	1.77	5.85	.51	2.84	1.60	21.13	5.18	4.49	3.82
1979	12	9,693,677	264,630	2.73	8.74	.51	4.24	1.55	21.71	6.06	4.29	5.80
Composite Total ■												
1980	60	17,203,429	414,746	2.41	7.75	.48	4.01	1.66	19.24	5.88	4.83	5 41
1979	60	16,152,010	505,014	3.13	9.95	.48	5.10	1.63	19.83	6.77	4.67	6.91

*Industry segment top performers on the basis of return on total equity.

■Excludes miscellaneous, multi-industry and conglomerates.

+Do not break out SG&A

All segments had their share of losers with the exception of consumer products and woven piece goods. However, both of these areas saw declines from five-year record performances in 1979.

In consumer products, return on invested capital dipped from 12% to the 7% level of the mid 70's. It should be noted that this group more than doubled its capital expenditures in 1979, spending at over twice its annual depreciation rate.

Because of these recent expenditures, this segment will be watched closely to see if the investments lead to improved future performance.

Woven piece goods saw a similar decline in return on invested capital, dropping from 10.4% to 9.7%. A relatively weak apparel market in corduroy and other bottom-weight fabrics affected this segment adversely.

After recording five-year lows in 1979, the carpet sector showed slight improvement in profitability. Return on invested capital for the nine public firms profiled rose from 1.4% in 1979 to 2.1% in 1980, still the lowest of any industry segment. More exports and measures to balance production with sales helped. However, the problems in housing starts and other construction continued to depress this segment.

The yarn group—for several years the top performer in these Profiles—slipped a bit from its leadership position reported last year. Return on invested capital

dropped sharply from 9.6% to just under 6%. Demand has slowed to more nearly match capacity.

Diversified textile firms continued their lackluster performance. While the declines did not reach the low levels recorded in 1977, which were dramatically affected by the losses of one major firm, they were lower than at any other time in the past five years. The strategy of size and wide diversification has yet to show that it leads to superior performance.

What does this year's Performance Profile indicate for the future? To some extent, lower returns on investment are attributable to massive capital expenditures in the last few years. This may bode well for the future outlook, but the industry has a notorious history of losing the benefits of its productivity increases in the form of lower prices. Often, this has been due to too many companies jumping on the winners' bandwagon, creating overcapacity ala double knits, tufted carpets, and, perhaps, now denim.

	Cap. Expend. as a % of Sales		Cap. Expend. as a % of Cash Flow		Cap. Expend. as a % of Deprec.	
	1980	1979	1980	1979	1980	1979
Carpet & Rug	2.01	4.10	69.14	158.93	93.40	199.19
Con. Products	5.16	5.42	93.35	86.58	242.86	220.08
Knitting	3.01	2.58	47.91	87.60	144.40	100.26
Yarn	4.49	6.39	74.43	83.31	121.03	185.95
Woven Piece Goods	5.77	5.29	81.91	72.06	215.29	202.76
Diversified	4.61	4.75	92.95	80.10	144.74	148.49
Composite	4.73	4.84	89.12	80.26	161.41	164.61

A close review of the numbers of this year's Profile shows the growing importance of new technology in textiles. The U.S. industry has spent a great deal to achieve and maintain its worldwide leadership in productivity. These expenditures to acquire modern technology underscore the fact that the $2 window may be closing; the stakes are getting higher.

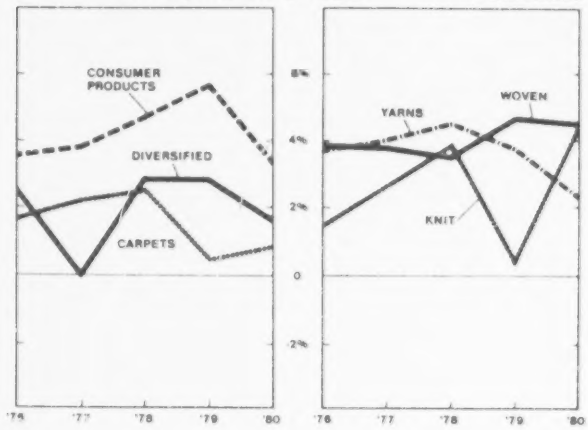
Those companies which cannot meet the capital expenditures required in today's high stakes market can be expected to fall by the wayside, thus hastening predicted consolidation.

This tenth Performance Profile highlights the fact that it is essential for textile firms to develop a strategy to create a strong competitive position in those industry segments where a reasonable return on investment can be achieved, and which are not subject to easy entry by competitors. Firms must establish a plan of action to abandon sectors where they cannot achieve a competitive edge. Even though some companies are moving in this direction, there are still many firms willing to continue to invest in businesses where there is little prospect for a significant return on investment.

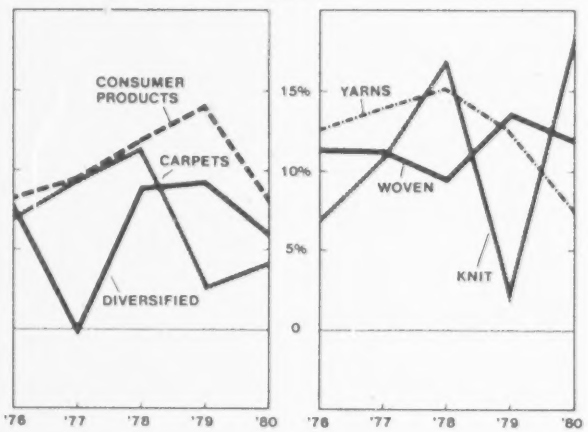
The industry's overall rate of return will be substantially improved when more firms take a strategic view of their future investment plans.

Industry Segment	% Change in Sales	% Inc. on Sales		% Return Total Equity		% Change ROE	5 Year
	1979/80	1979	1980	1979	1980	1979/80	ROE %
Yarns	3.0	3.8	2.3	12.6	7.7	−39	12.2
Consumer Prod.	5.4	5.7	3.4	14.4	8.6	−40	10.7
Piece Goods	9.8	4.5	4.3	12.9	12.0	−7	11.5
Knitting	10.3	.4	4.4	1.8	18.3	+917	11.4
Carpet	3.1	.5	.8	2.7	3.9	+44	6.8
Diversified	6.1	2.6	1.8	8.7	5.9	−33	6.1
Composite	6.5	3.0	2.4	10.0	7.8	−22	8.1

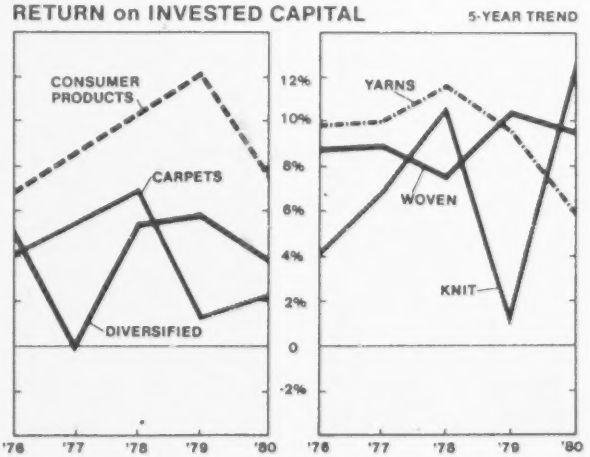
NET A.T. INCOME on SALES — 5-YEAR TREND



RETURN ON TOTAL EQUITY — 5-YEAR TREND



RETURN on INVESTED CAPITAL — 5-YEAR TREND



WHAT THE RATIOS MEAN

Net After-Tax Income on Sales—Net income divided by net sales and reported as a percentage. This figure is frequently labeled Return on Sales although KSA declines use of this title since extraordinary items are included in net income. Net sales is gross sales less discounts and allowances for returns and bad debts.

Return on Total Equity—Net income divided by total equity, reported as a percentage. The figure is a good measure of performance on behalf of the owners of the firm.

Total Debt to Assets—The sum of current liabilities, deferred liabilities, and long-term debt, divided by the book value of total assets. The quotient indicates the proportion of assets supported by creditor supplied funds. Values usually range between zero and one. (Values greater than one indicate that a negative shareholders' equity exists.) Values approaching one indicate the possibility of high financial risk exposure. Whether that risk is short-term (i.e., likely deficiency of liquid assets to cover near-term debt maturities) or long-term, with its attendant contractual interest requirements, can be ascertained by dividing Return on Total Assets by Return on Invested Capital. This yields the proportion of long-term sources of funds in the financial structure. Very low figures may indicate management's unwillingness to take risks.

Return on Total Assets—Net income divided by the book value of total assets, converted to a percentage. This figure is often used as an indicator of the return on the total investment in the firm, irrespective of financing; although most analysts correctly suggest that to make this measure more precise, one must add tax-adjusted interest payments to net income before dividing.

Sales to Total Assets—Net sales divided by total assets. This result is frequently called total asset turnover or simply turnover. Again, we are reluctant to use these terms due to the inclusion of intangible items in the total asset base. A high ratio may indicate inadequate planning for growth and/or operating at or above full capacity. A low ratio suggests overinvestment or inefficient use of assets.

Gross Margin—Net sales less cost of goods sold, divided by net sales and multiplied by 100 to make a percentage. The result is a good proxy for manufacturing profit.

Operating Margin—Net sales less cost of goods sold as well as selling, general, and administrative expense; divided by net sales and reported as a percentage. It is a good measure of a company's profitability on its primary, continuing operations.

Inventory Turns—Cost of goods sold divided by the average of the ending inventory for the year and prior year total inventory. Excessively high figures can be symptomatic of deteriorating customer service while unusually low turns can suggest unduly high safety stocks and the high cost of supporting them.

Return on Invested Capital—Net income divided by the sum of total equity and long-term debt. Many consider this figure to be the best single measure of performance for it represents the return to committed capital and is resistant to attempts to windowdress public financial statements.

CLASSIFICATIONS

To effectively compare the financial data of companies in an industry as diverse as textiles, it is beneficial to group similar companies together and examine these segments separately. Some arbitrary judgment as to suitable industry segments were necessary.

We chose the following set of segment identifications:

- K — Knitting.
- C — Carpet and rug manufacturers.
- Y — Yarn manufacturers (spun and texturized.)
- T — Textile consumer products (sheets, towels, etc.)
- P — Woven piece goods manufacturers.
- D — Diversified textile companies.
- M — Miscellaneous and multi-industry textile companies.
- G — Conglomerates.

Companies were classified into industry segments by the following:

1. A company was placed in its major single textile classification (K, C Y, T, or P) if:
   —Textiles account for at least 70% of its sales.
   —At least 40% of its total sales are in its major single classification.
   —Its sales in its major single classification are at least twice its sales in any other single textile classification.
2. A company was placed in the diversified textile companies' classification if:
   —Textiles account for at least 70% of its sales.
   —No single company product meets the other criteria in No. 1 above.
3. A company was placed in the miscellaneous industry group if:
   —Textiles account for at least 20% of its sales.
   —Companies in this group also include those whose textile product is not one of the five listed above (knitting, carpets and rugs, yarn manufacturers, textile consumer products, woven piece goods manufacturers.) Also included are dyers, finishers, converters, hosiery manufacturers, industrial textile producers, etc.

   Ratios for this classification are shown on page 8 and are unranked as they do not represent a homogeneous industry segment for comparison purposes.
4. Although only 1980 *textile* manufacturing sales volume appears for multi-industry companies on page 5, *total* company sales and income plus other financial ratios are shown on page 8.

In addition, a category—conglomerate (G)—appears in order to allow inclusion of manufacturing sales volume generated by the textile divisions of large, multi-industry firms. Although such volume does not represent 20% of the total sales of these companies, it is over $50 million and hence, too large to ignore. Textile manufacturing sales are isolated on the basis of annual report data, information furnished by the companies and, when necessary, judgments made by senior members of KSA's Textile Division.

SALES AND EARNINGS

80	79	Company	Sales ($000)	Net Income ($000)	Net Income 80	Net Income 79
1	1	Burlington 10/80-D	2,900,649	81,330	1	1
2	2	J.P. Stevens 10/80-D	1,915,959	20,317	9	2
3	3	WPt. Pepperell 8/80-D	1,245,569	42,505	3	6
4	4	Springs Mills 12/80-D	794,460	10,602	17	5
5	7	Dominion Tex. 6/80-D	756,944	34,948	4	8
6	6	Cone Mills 12/80-P	729,885	51,246	2	3
7	9	Cannon Mills 12/80-T	659,648	20,627	8	4
8	5	Un. Merch. & Mfrs. 6/80-D	621,974	-19,696	71	7
9	8	M. Lowenstein 12/80-D	620,475	4,873	24	69
10	10	Dan River 12/80-P	607,737	19,627	10	12
11	11	Collins & Aikman 3/80-D	599,542	16,414	14	10
12	12	Fieldcrest 12/80-T	527,229	19,435	11	9
13	13	Riegel Textile 10/80-P	433,523	16,024	12	17
14	16	Graniteville 12/80-P	341,120	11,092	16	21
15	17	Avondale Mills 8/80-D	310,325	7,003	19	32
16	15	Albany Int'l 12/80-M	292,420	*	*	*
17	22	Bibb Company 3/80-D	266,978	1,780	38	25
18	40	Celanese Can. 12/80-M§	262,387	*	*	*
19	20	Ti-Caro 10/80-Y	251,007	15,675	15	16
20	24	Guilford Mills 6/80-K	242,635	22,409	6	15
21	19	Dixie Yarns 12/80-Y	216,654	5,114	23	22
22	25	Shaw Industries 6/80-C	213,069	5,609	21	27
23	28	Mohasco 12/80-M§	201,207	*	*	*
24	14	Reeves Bros. 7/80-M§	177,082	*	*	*
25	23	Salem Mills 1/80-C	170,819	339	53	52
26	29	Crompton 9/80-P	161,921	6,938	20	19
27	32	Standard-Coosa-That. 10/80-Y	148,924	2,510	33	37
28	26	Texfi Ind. 10/80-D	144,544	-21,504	72	68
29	33	Unifi, Inc. 6/80-Y	142,891	1,562	42	24
30	27	Masland 12/80-C	135,900	-3,279	67	66
31	37	Mount Vernon 12/80-P	134,755	5,331	22	26
32	38	Lehigh Valley 12/80-K	125,087	1,643	41	72
33	43	Thomaston 7/80-P	122,576	2,110	35	61
34	36	Fab Industries 7/80-K	119,782	7,770	18	20
35	44	Wabasso 12/80-D	117,111	4,062	28	36
36	39	Chatham 12/80-P	107,244	2,490	34	33
37	45	Galaxy Mills 9/80-C	103,527	1,956	36	34
38	41	Consoltex 12/80-P	103,488	3,648	30	18
39	49	Peerless Rug 2/80-C	97,953	3,664	29	31
40	47	Carolina Mills 10/80-Y	93,383	4,593	25	28
41	48	Harding Carpets 10/80-C	87,932	-1,219	62	65
42	59	Ruddick Corp. 9/80-G■	82,851	*	*	*
43	51	Adams-Millis 12/80-M	77,419	*	*	*
44	52	Columbus Mills 12/80-C	71,585	2,847	31	38
45	46	Concord Fabrics 8/80-M	71,230	*	*	*
46	50	Stevcoknit 1/80-K	70,231	-3,253	66	60
47	42	Martin Proc. 12/80-Y	67,180	-3,469	68	43
48	54	Bunker Ramo 12/80-G■	55,283	*	*	*
49	53	PRF Corp. 1/80-T	53,505	4,212	26	29
50	65	China Grove 12/80-Y	48,836	1,503	43	46
51	63	Liberty Fabrics 12/80-K	47,849	1,666	40	40
52	62	Fair-Tex Mills 10/80-K	47,838	1,326	45	42
53	57	Russell Corp. 12/80-M§	47,672	*	*	*
54	64	Louisville Bedding 9/80-T	47,653	709	47	50
55	58	CrownAmerica 8/80-Y	44,457	425	50	41
56	70	Marion Mfg. 12/80-Y	43,102	1,767	39	44
57	66	Wm. Wright Co. 6/80-M	42,666	*	*	*
58	61	Opelika Mfg. 9/80-M§	41,459	*	*	*
59	69	Alba-Waldensian 12/80-M	41,151	*	*	*
60	68	Berven Carpets 12/80-C	38,640	-2,719	65	70
61	72	Nortek 12/80-M§	37,382	*	*	*
62	67	Edmos Corp. 12/80-K	30,908	185	55	71
63	60	Rosslon Ind. 6/80-Y	28,877	-3,840	69	39
64	*	Bay Mills 7/80-P	28,207	1,341	44	35
65	74	Crown Crafts 3/80-T	28,188	107	57	51
66	73	Quorum Ind. 12/80-K	26,462	-526	61	64
67	78	Westmills 8/80-C	22,260	-77	59	63
68	81	Vertipile 2/80-M	22,034	*	*	*
69	79	Originit 1/80-K	19,137	252	54	59
70	83	Dash Ind. 11/80-P	15,038	106	58	56
71	80	Putnam-Gellman 12/80-M§	14,060	*	*	*
72	85	Westwood, Inc. 9/80-P	13,387	402	52	54
73	87	Riverside Yarns 12/80-Y	13,379	469	49	55
74	84	Decorator Ind. 1/80-T	12,460	123	56	53
75	86	Int'l Stretch Prod. 8/80-K	11,051	-358	60	57
76	75	Gaynor-Stafford 6/80-M	9,671	*	*	*
		Total Sales	18,733,287			

**Unavailable*
■ Estimated
+ Extraordinary Gains exceed 1% of net sales; unranked.
§Includes only textile sales.

Because classifications have been restated for miscellaneous & multi-industry companies, sales comparisons for these companies are unranked.

TEXTILE PERFORMANCE PROFILE—FISCAL 1980

(Excludes Conglomerates, Miscellaneous Textiles and Multi-industry Firms)

80 Sales Rank	Company	Net A.T. Inc. on Sales %	80	79	Return on Total Equity %	80	79	Total Debt To Assets	80	79	Return on Total Assets %	80	79	Sales to Total Assets %	80	79	Gross Margin %	80	79	Operating Margin %	80	79	Inventory Turns	80	79	Return on Invested Capital %	80	79
15	Avondale Mills 08/80-D	2.25	30	43	7.62	31	43	.31	49	47	5.22	22	43	2.31	9	16	14.45	31	41	4.66	32	47	12.79	4	4	7.49	22	43
64	Bay Mills 07/80-P	4.75	7	1	16.05	8	2	.56	22	20	6.94	12	4	1.46	52	44	11.81	42	39	11.81	4	5	4.95	32	17	12.54	10	4
60	Berven Carpets 12/80-C	−7.03	56	53	−31.41	55	53	.61	17	20	−12.19	56	53	1.73	38	52	11.05	44	43	−6.13	52	55	4.68	39	46	−18.60	56	53
17	Bibb Company 03/80-D	.66	44	34	2.53	43	37	.55	24	26	1.13	44	36	1.70	43	46	7.79	51	42	1.87	43	31	4.44	45	48	1.67	43	39
1	Burlington 10/80-D	2.80	24	25	7.32	32	39	.47	31	34	3.84	32	35	1.36	56	56	13.57	38	31	5.65	24	21	5.52	21	22	4.89	32	38
7	Cannon Mills 12/80-T	3.12	22	5	6.32	33	18	.25	54	56	4.68	28	8	1.49	50	51	12.34	41	28	3.98	35	10	4.84	36	26	6.32	28	11
40	Carolina Mills 10/80-Y	4.91	6	9	16.36	7	7	.35	47	47	10.50	6	7	2.13	11	11	10.79	¢	¢	10.79	¢	¢	8.98	¢	¢	13.64	7	5
36	Chatham 12/80-P	2.32	29	+	5.28	37	+	.24	55	55	3.97	30	+	1.71	42	31	14.42	32	36	5.01	28	38	3.78	48	47	4.56	36	+
50	China Grove 12/80-Y	3.07	23	35	10.18	85	40	.38	40	45	6.29	16	33	2.04	16	19	11.22	43	50	6.88	16	32	5.15	27	37	9.03	16	35
11	Collins & Aikman 03/80-D	2.73	26	15	8.58	30	16	.43	37	42	4.82	26	14	1.76	34	20	16.58	25	18	5.62	25	13	5.12	28	21	6.65	27	12
44	Columbus Mills 12/80-C	3.97	12	33	13.05	17	35	.40	41	45	7.76	8	25	1.95	20	8	19.82	12	25	6.83	17	37	5.08	30	23	10.68	11	31
6	Cone Mills 12/80-P	7.02	3	7	15.77	9	12	.22	56	56	12.27	3	5	1.74	36	22	21.82	7	12	11.79	5	9	5.12	28	26	14.85	4	7
38	Consoltex 12/80-P	3.52	+	+	9.05	+	+	.56	22	23	3.92	+	+	1.11	60	58	5.76	¢	¢	5.76	¢	¢	2.25	¢	¢	5.93	+	+
26	Crompton 09/80-P	4.28	9	8	11.30	20	8	.44	34	38	6.28	17	9	1.46	52	43	15.67	27	14	8.84	7	6	7.03	10	9	8.01	21	10
55	CrownAmerica 08/80-Y	.95	41	32	3.41	38	30	.46	33	35	1.83	41	24	1.91	23	10	7.42	52	53	.92	47	44	13.67	3	2	2.43	40	26
65	Crown Crafts 03/80-T	.37	46	38	1.52	45	37	.54	25	25	.69	46	39	1.82	30	42	15.53	29	21	2.70	41	25	3.46	51	51	1.00	46	40
10	Dan River 12/80-P	3.22	21	16	9.95	25	19	.48	30	33	5.12	25	20	1.58	45	40	14.84	30	30	6.48	20	16	5.07	31	33	6.73	26	20
70	Dash Ind. 11/80-P	.70	43	26	2.42	44	20	.59	19	17	.96	45	31	1.37	55	45	40.11	1	1	4.92	29	15	1.92	55	55	1.57	44	25
74	Decorator Ind 01/80-T	.98	40	22	2.57	42	36	.19	59	60	2.08	38	17	2.10	14	15	29.98	3	2	1.45	45	26	4.65	40	40	2.57	39	21
21	Dixie Yarns 12/80-Y	2.36	28	19	8.95	29	13	.38	43	40	5.48	21	11	2.32	8	5	7.93	49	49	4.16	33	20	9.35	5	6	6.82	25	14
5	Dominion Tex 06/80-D	4.61	8	17	15.63	10	17	.58	20	23	6.45	15	22	1.39	54	50	100.00	¢	¢	11.39	¢	¢	0.00	¢	¢	10.20	13	17
62	Edmos Corp 12/80-K	.59	45	55	2.92	41	54	.60	18	7	1.16	43	55	1.93	21	17	14.25	35	52	3.81	36	53	5.86	17	14	1.56	45	55
34	Fab Industries 07/80-K	6.48	4	3	18.92	5	5	.36	46	35	11.97	4	3	1.84	29	25	21.42	8	6	10.72	6	3	4.82	37	17	18.18	3	1
52	Fair-Tex Mills 10/80-K	2.77	25	29	9.84	26	28	.42	38	28	5.68	20	27	2.05	15	28	16.72	23	17	8.12	10	7	6.21	16	20	7.17	24	28
12	Fieldcrest 12/80-T	3.68	15	11	12.15	18	9	.49	29	28	6.15	18	13	1.66	44	37	21.34	9	8	7.72	12	8	5.47	24	31	8.17	20	13
37	Galaxy Mills 09/80-C	1.88	31	36	9.58	27	22	.63	15	15	3.54	33	34	1.87	26	28	25.40	6	7	6.11	22	30	4.61	42	38	5.97	30	28
14	Graniteville 12/80-P	3.25	20	24	10.59	21	33	.38	43	40	6.51	14	26	2.00	18	31	13.93	37	45	6.50	19	41	8.23	9	7	8.80	17	27
20	Guilford Mills 06/80-K	9.23	1	1	32.72	1	1	.39	42	32	19.69	1	2	2.13	11	14	27.21	4	4	19.24	1	1	6.92	11	15	25.69	1	2
41	Harding Carpets 10/80-C	−1.38	49	48	−6.68	48	48	.72	7	7	−1.81	49	48	1.31	58	59	18.39	16	19	1.83	44	45	3.64	49	49	−2.78	49	46
75	Int. Stretch Prd. 08/80-K	−3.22	53	30	−25.62	53	11	.76	6	6	−6.05	53	30	1.87	26	34	16.19	26	15	.77	48	40	4.92	33	24	−8.80	53	34

2	J. P. Stevens 10/80-D	1.06	39	31	3.87	37	32	.50	28	30	1.89	40	29	1.79	32	31	10.49	46	46	3.16	39	27	5.16	26	34	2.43	40	33
32	Lehigh Valley 12/80-K	1.31	36	54	31.18	2	55	.90	1	2	3.10	36	54	2.36	7	13	16.96	20	24	6.69	18	19	4.80	38	45	4.66	34	54
51	Liberty Fabrics 12/80-K	3.48	17	20	11.50	19	25	.41	39	38	6.71	13	21	1.92	22	22	20.29	10	11	6.31	21	29	4.45	44	38	8.59	18	23
54	Louisville Bed 09/80-T	1.48	34	40	10.35	23	29	.62	16	15	3.88	31	38	2.61	4	7	19.45	14	16	4.71	31	36	5.50	23	35	5.66	31	32
9	M Lowenstein 12/80-D	.78	42	47	3.28	40	47	.54	25	18	1.49	42	47	1.89	25	22	12.67	39	48	2.47	42	51	4.85	35	28	2.09	42	47
56	Marion Mfg12/80-Y	4.09	11	21	15.25	13	23	.31	49	54	10.44	7	12	2.54	5	3	12.38	40	40	5.36	26	35	15.07	2	3	14.33	5	15
47	Martin Process 12/80-Y	– 5.16	55	42	–10.57	49	42	.41	39	50	–6.21	54	42	1.20	59	21	–1.39	54	54	–9.54	54	46	6.26	15	5	–8.87	54	42
30	Masland 12/80-C	– 2.41	51	49	–11.00	50	49	.57	21	20	–4.63	51	50	1.91	23	9	14.33	33	34	–2.35	50	52	4.48	43	32	–6.80	51	50
31	Mount Vernon 12/80-P	3.95	13	12	10.34	23	24	.28	52	52	7.35	9	15	1.85	28	40	15.62	28	33	7.00	15	23	6.89	12	16	9.32	15	16
69	Originit 01/80-K	1.31	36	41	13.77	14	14	.71	8	5	3.98	29	37	3.02	1	4	20.26	11	10	5.15	27	33	8.93	9	8	7.26	23	36
39	Peerless Rug 02/80-C	3.74	14	10	19.61	4	6	.70	9	7	5.70	19	16	1.52	48	53	25.95	5	5	8.35	9	11	2.73	54	53	14.01	6	6
49	PRF Corp 01/80-T	7.87	2	4	20.64	3	4	.18	60	51	16.76	2	1	2.13	11	6	30.03	2	3	15.20	2	2	4.17	47	43	20.27	2	3
66	Quorum Ind 12/80-K	–1.98	50	51	–11.77	51	51	.51	27	26	–5.68	52	52	2.85	2	2	14.17	36	44	1.36	46	54	9.26	6	10	–7.39	52	52
13	Riegel Textile 10/80-P	4.15	10	18	13.85	13	21	.47	31	35	7.23	11	18	1.73	38	39	14.33	33	35	8.04	11	18	8.44	8	11	10.38	12	18
73	Riverside Yarns 12/80-Y	3.50	16	+	44.70	*	+	.88	2	1	5.21	24	+	1.48	51	60	100.00	∮	∮	13.51	∮	∮	0.00	∮	∮	8.25	19	+
63	Roselon Ind 06/80-Y	–13.29	57	23	–30.67	54	34	.22	56	47	–23.81	58	23	1.79	32	27	–3.23	55	37	–15.08	55	28	5.52	21	13	–26.84	57	24
25	Salem Mills 01/80-C	.19	47	45	1.51	46	44	.68	10	11	.47	47	44	2.39	6	1	19.71	13	23	4.02	34	39	4.27	46	30	.85	47	44
22	Shaw Industries 06/80-C	2.63	27	27	13.66	15	15	.64	14	11	4.78	27	32	1.81	31	48	16.89	21	27	7.15	14	17	5.62	18	25	6.01	29	37
4	Springs Mills 12/80-D	1.33	35	13	3.15	40	26	.34	48	44	2.06	39	19	1.54	46	48	17.60	17	26	8.37	8	14	4.64	41	41	2.71	38	19
27	Std-Coosa-That 10/80-Y	1.68	33	39	6.18	34	41	.44	34	42	3.42	34	41	2.03	17	25	10.72	45	47	3.34	38	43	6.62	14	19	4.57	35	41
46	Stevcoknit 01/80-K	–4.63	54	44	–25.07	52	45	.67	13	18	–8.13	55	45	1.75	35	30	7.93	49	32	–2.84	51	34	2.84	53	54	–15.63	55	45
28	Texfi Ind 10/80-D	–14.87	58	50	–137.86	57	50	.83	4	7	–23.05	57	49	1.54	46	55	.87	53	52	–6.48	53	48	6.64	13	12	–30.66	58	49
33	Thomaston 07/80-P	1.72	32	46	4.32	36	46	.21	58	58	3.38	35	46	1.96	19	35	8.10	48	55	2.98	40	50	5.53	20	29	4.30	37	46
19	Ti-Caro 10/80-Y	6.24	5	6	15.37	11	10	.30	51	53	10.75	5	6	1.72	41	35	18.92	15	13	12.51	3	4	5.22	25	36	12.98	8	9
29	Unifi Inc 06/80-Y	1.09	38	14	9.28	28	3	.68	10	11	2.94	37	10	2.69	3	12	8.95	47	38	4.80	30	12	18.38	1	1	4.70	33	8
8	Un Merch & Mfrs 06/80-D	–3.16	52	+	–34.47	56	+	.87	3	3	–4.28	50	+	1.35	57	57	16.77	22	9	–.60	49	22	3.26	52	52	–6.18	50	+
35	Wabasso 12/80-D	3.46	18	37	16.46	6	27	.68	10	14	5.22	22	40	1.50	49	46	100.00	∮	∮	8.53	∮	∮	0.00	∮	∮	12.95	9	22
67	Westmills 08/80-C	–.34	48	52	–3.20	47	52	.81	5	4	–.60	48	51	1.73	38	54	17.41	19	22	3.58	37	49	4.88	34	44	–1.32	48	51
3	Wpt Pepperell 08/80-D	3.41	19	28	13.14	16	31	.44	34	30	7.32	10	28	2.14	10	37	17.43	18	20	7.26	13	24	5.61	19	41	9.60	14	30
72	Westwood Inc 09/80-P	3.00	+	+	7.35	+	+	.28	52	58	5.23	+	+	1.74	36	17	16.71	24	29	6.09	23	42	3.56	50	50	7.31	+	+

1979 rankings are based on original data and have not been recalculated for companies that have restated fiscal 1979 data.
Rankings in brown indicate relative standings for fiscal year ending in 1980.
Rankings in black refer to standings in the previous fiscal year based on the present mix of companies.

+ Extraordinary gains exceed 1% of net sales; unranked.
∮ SG&A not broken out. Cost of Goods Sold, Gross Profit, and Inventory Turns may subsequently be distorted or unavailable; unranked.

MISCELLANEOUS and MULTI-INDUSTRY COMPANIES

Company	Sales ($000)	Net Income ($000)	Net A.T. Income on Sales %	Return on Total Equity %	Total Debt to Assets	Return on Total Assets %	Sales to Total Assets	Gross Margin %	Oper. Margin %	Inv. Turns	Return on Invested Capital %
Adams-Millis 12/80	77,419	2,816	3.63	10.64	.35	6.89	1.89	11.82	5.51	5.03	8.41
Alba-Waldensian 12/80§	41,151	406	.98	3.17	.39	1.90	1.93	12.29	3.08	4.91	2.22
Albany International 12/80	365,525	25,906	7.08	13.66	.40	8.12	1.14	35.26	13.66	3.04	11.34
Celanese Canada 12/80	391,623	22,019	5.62	18.70	.47	9.82	1.74	17.47	9.49	6.89	15.08
Concord Fabrics 8/80§	71,230	-2,190	-3.07	-13.47	.50	-6.61	2.15	15.71	-1.33	3.70	-9.42
Gaynor-Stafford 6/80§	9,671	-11,844	-122.46	*	1.42	-114.53	.93	-24.17	-59.73	2.08	*
Mohasco 12/80	745,213	-2,157	-.28	-1.16	.55	-.51	1.76	22.08	2.96	4.84	-.89
Nortek 12/80	143,777	4,200	2.92	10.05	.63	3.71	1.27	19.81	7.80	4.09	5.02
Opelika 9/80	69,098	-1,783	-2.58	-7.88	.61	-3.04	1.17	14.21	6.49	2.55	-5.02
Putnam-Gellman 12/80	17,576	579	3.29	10.62	.56	4.62	1.40	21.52	6.98	6.43	8.64
Reeves Bros. 7/80	321,969	16,436	5.10	13.90	.35	8.99	1.76	17.45	8.81	4.77	11.39
Russell Corp. 12/80	238,357	20,812	8.73	20.23	.38	12.41	1.42	28.29	16.03	4.07	15.61
Vortiplie 2/80§	22,034	1,804	8.18	28.31	.38	17.51	2.13	25.39	17.79	8.06	24.54
Wm. Wright 6/80§	42,666	1,263	2.96	5.57	.28	4.10	1.38	38.77	5.21	1.94	5.39

*Unavailable
§Multi-industry company; only a portion of total sales is textiles.

Disclaimer

The information presented in this Performance Profile was obtained from available annual reports made by public companies to their stockholders and to the Securities and Exchange Commission. While we believe the information furnished to be reliable, no representations are made as to the accuracy thereof. Kurt Salmon Associates assumes no responsibility for any errors in the Performance Profile, whether of omission or commission. Information presented herein is based solely on publicly available data; the confidentiality of KSA's client relationships has been maintained throughout. KSA's Financial Performance Profile is intended solely for the statistical information of the purchaser. It is not a representation, prospectus, or circular in respect of any stock or security of any corporation. The data and comments contained herein do not constitute investment advice in any form.

10 YEARS OF TEXTILE INDUSTRY FINANCIAL PERFORMANCE

When Kurt Salmon Associates issued its first Textile Profile in 1972, we described it as a tool that had been used to aid our clients in "analyzing performance and setting goals." We published it for the industry at large as a service—a one-time curiosity piece that managers might find of passing interest. There were no plans to institute an annual report, or to fill an information gap.

While these Profiles seem to have become an industry institution of modest proportions, and do represent the most comprehensive collection of financial data about textiles regularly available to the public, we are happy to note that they are still used to help company managements analyze their performances and set goals. Their initial purpose is still valid, and remains our primary reason for publishing these reports each year.

In this 10th issue, we would like to offer another "curiosity piece"—data on the changes in sales and income for those companies that have been profiled annually over the past decade. No adjustments for inflation have been made.

INCOME AS A PERCENT OF SALES

	Company	1971-80 Average (%)
1	Fab Industries (K)	6.14
2	Ti-Caro (Y)	5.83
3	Cone Mills (P)	5.19
4	Cannon Mills (T)	4.32
5	Crompton (P)	4.24
6	Graniteville (P)	4.17
7	Consoltex (P)	4.09
8	Shaw Industries (C)	4.03
9	Collins & Aikman (D)	3.97
10	Carolina Mills (Y)	3.86
11	Riegel Textile (P)	3.81
12	Fieldcrest (T)	3.73
13	Chatham (P)	3.67
14	Dominion Textiles (D)	3.50
15	WestPoint Pepperell (D)	3.34
16	Burlington (D)	3.25
17	Columbus Mills (C)	3.12
18	Mount Vernon (P)	2.76
19	Avondale Mills (D)	2.69
20	Springs Mills (D)	2.69
21	Dixie Yarns (Y)	2.59
22	Standard-Coosa-Thatcher (Y)	2.23
23	Harding Carpets (C)	2.20
24	J.P. Stevens (D)	2.02
25	Dan River (P)	1.97
26	Thomaston (P)	1.74
27	United Merch. & Mfrs. (D)	1.25
28	Int'l. Stretch Products (K)	1.17
29	Bibb Company (D)	1.05
30	Stevcoknit (K)	1.01
31	Masland (C)	.74
32	M. Lowenstein (D)	.57
33	Quorum Industries (K)	.47
34	Edmos Corp. (K)	-.27
35	Berven Carpets (C)	-.39
36	Texfi Industries (D)	-1.04

TEN-YEAR GROWTH IN SALES

	Company	10-Year Change (%)
1	Shaw Industries (C)	439.5
2	Consoltex (P)	340.4
3	Dominion Textiles (D)	295.5
4	WestPoint Pepperell (D)	250.7
5	Fab Industries (K)	208.8
6	Ti-Caro (Y)	194.3
7	Thomaston (P)	192.6
8	Standard-Coosa-Thatcher (Y)	182.0
9	Crompton (P)	168.0
10	Harding Carpets (C)	166.4
11	Riegel Textile (P)	153.4
12	Graniteville (P)	152.3
13	Springs Mills (D)	144.0
14	Carolina Mills (Y)	142.6
15	Mount Vernon (P)	138.6
16	Bibb Company (D)	135.9
17	Fieldcrest (T)	131.9
18	Cone Mills (P)	128.7
19	J.P Stevens (D)	122.5
20	Dixie Yarns (Y)	118.0
21	Avondale Mills (D)	115.3
22	Stevcoknit (K)	113.4
23	Masland (C)	113.3
24	Collins & Aikman (D)	105.8
25	Cannon Mills (T)	103.9
26	Columbus Mills (C)	96.2
27	Dan River (P)	94.5
28	Burlington (D)	68.0
29	Chatham Industries (P)	62.7
30	M. Lowenstein (D)	39.7
31	Quorum Industries (K)	32.5
32	Berven Carpets (C)	-0.8
33	Edmos Corp.(K)	-4.3
34	Texfi Industries (D)	-12.0
35	United Merch. & Mfrs. (D)	-15.8
36	Int'l Stretch Prod. (K)	-78.0

RETURN ON TOTAL EQUITY

Company	Sales ($000)	Return on Total Equity %	1979 Rank
1 Guilford Mills (K)	242,635	32.72	1
2 Lehigh Valley (K)	125,087	31.18	55
3 PRF Corp. (T)	53,505	20.64	4
4 Peerless Rug (C)	97,953	19.61	6
5 Fab Industries (K)	119,782	18.92	5
6 Wabasso (D)	117,111	16.46	27
7 Carolina Mills (Y)	93,363	16.36	7
8 Bay Mills (P)	28,207	16.05	2
9 Cone Mills (P)	729,885	15.77	12
10 Dominion Textiles (D)	756,944	15.63	17

NET A.T. INCOME ON SALES

Company	Sales ($000)	Net A.T. Income On Sales	1979 Rank
1 Guilford Mills (K)	242,635	9.23	1
2 PRF Corp. (T)	53,505	7.87	4
3 Cone Mills (P)	729,885	7.02	7
4 Fab Industries (K)	119,782	6.48	3
5 Tl-Caro (Y)	251,007	6.24	8
6 Carolina Mills (Y)	93,363	4.91	9
7 Bay Mills (P)	28,207	4.75	1
8 Dominion Textiles (D)	756,944	4.61	17
9 Crompton (P)	161,921	4.28	8
10 Riegel Textile (P)	433,523	4.15	18

TOP PERFORMERS
Fiscal 1980

Textile companies in the Profile who turned in the best 10 performances in three key ratios appear on this page. Previous rankings have been recalculated in some cases to account for the new company mix in this year's report.

RETURN ON INVESTED CAPITAL

Company	Sales ($000)	Return on Invested Capital %	1979 Rank
1 Guilford Mills (K)	242,635	25.69	2
2 PRF Corp. (T)	53,505	20.27	3
3 Fab Industries (K)	119,782	18.18	1
4 Cone Mills (P)	729,885	14.85	7
5 Marion Mfg. (Y)	43,102	14.33	15
6 Peerless Rug (C)	97,953	14.01	6
7 Carolina Mills (Y)	93,363	13.64	5
8 Tl-Caro (Y)	251,007	12.98	9
9 Wabasso (D)	117,111	12.95	22
10 Bay Mills (P)	28,207	12.54	4

TEN COMPANIES WITH GREATEST INCREASE IN SALES

	Company	1979-80 %
1	Riverside Yarns (Y)	42.6
2	Quorum (K)	33.5
3	Peerless Rug (C)	33.3
4	Originit (K)	24.8
5	Guilford Mills (K)	23.7
6	Marion Mfg. (Y)	23.5
7	WestPoint Pepperell (D)	23.0
8	Bibb Manufacturing (D)	21.4
9	Mount Vernon (P)	21.0
10	Riegel Textile (P)	20.2

RETURN ON TOTAL EQUITY

5-Yr. ROE Rank	Company	5-Yr. ROE	Sales/ Assets 1980	Debt/ Assets 1980
1	Guilford Mills (K)	27.94	2.13	.39
2	PRF Corp. (T)	25.47	2.13	.18
3	Fab Industries (K)	20.49	1.84	.36
4	Ti-Caro (Y)	17.36	1.72	.30
5	Carolina Mills (Y)	16.91	2.13	.35
6	Unifi, Inc. (Y)	15.83	2.69	.68
7	Louisville Bedding (T)	14.96	2.61	.62
8	Fieldcrest (T)	14.79	1.66	.49
9	Shaw Industries (C)	14.27	1.81	.64
10	Galaxy Mills (C)	14.05	1.87	.63
	Average	18.21	2.06	.46
	Profile Average	7.75	1.66	.48

RETURN ON INVESTED CAPITAL

	Company	5 Year Sales ($000)	Ret. on Inv. Capital
1	PRF Corp. (T)	224,113	22.46
2	Guilford Mills (K)	834,458	19.90
3	Fab Industries (K)	442,066	19.30
4	Cone Mills (P)	3,269,956	14.30
5	Ti-Caro (Y)	1,041,871	14.21
6	Carolina Mills (Y)	401,499	14.20
7	Consoltex (P)	375,617	12.01
8	Collins & Aikman (D)	2,570,992	10.39
9	Columbus Mills (C)	302,366	9.97
10	Riegel Textile (P)	1,746,747	9.96

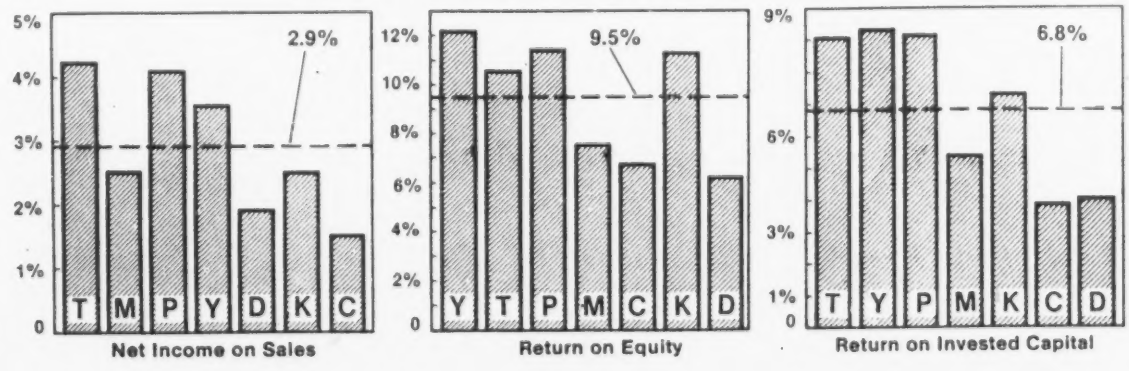
TOP PERFORMERS OVER THE PAST FIVE YEARS

Five-year performances have been calculated in order to gain a long-term perspective. Here are the top performers in terms of their 1976-1980 figures. (Only those firms with five years of data were considered for this ranking.)

NET A.T. INCOME ON SALES

	Company	5 Year Sales ($000)	Net A.T. Income on Sales
1	PRF Corp. (T)	224,113	7.17
2	Fab Industries (K)	442,066	6.97
3	Ti-Caro (Y)	1,041,871	6.79
4	Guilford Mills (K)	834,458	6.77
5	Cone Mills (P)	3,269,956	6.29
6	Consoltex (P)	375,617	5.41
7	Carolina Mills (Y)	401,499	4.59
8	Crompton (P)	674,032	4.39
9	Cannon (T)	2,764,663	4.34
10	Riegel Textile (P)	1,746,747	4.30

FIVE YEAR PERFORMANCE INDICATORS



CONE MILLS
1201 MAPLE STREET
GREENSBORO NC 27405

DEWEY L TROGDON, CHAIRMAN
BENJAMIN O SAMPSON, PRES
JOSEPH F BOND, EXEC VP & TREAS
NYSE- COE

WOVEN PIECE GOODS 80 PCT
FINISHING/OUTSIDE FABRIC PURCHASE 10 PCT
OTHER 10 PCT

PROFIT AND LOSS DATA - CONE MILLS

FISCAL PERIOD ENDING	DEC 1980		DEC 1979		DEC 1978		DEC 1977		DEC 1976	
	$	PCT	$	PCT	$	PCT	$	PCT	$	PCT
NET SALES	729885	100.00	681338	100.00	617971	100.00	656087	100.00	584675	100.00
- COST OF GOODS SOLD	570566	78.17	545692	80.09	509321	82.42	533776	81.36	485308	83.00
GROSS PROFIT	159319	21.83	135646	19.91	108650	17.58	122311	18.64	99367	17.00
- SELL, GEN, & ADMIN	73262	10.04	65505	9.61	44472	7.20	43564	6.64	38560	6.60
OPERATING EARNINGS	86057	11.79	70141	10.29	64178	10.39	78747	12.00	60807	10.40
- INTEREST EXPENSE	2853	0.39	3450	0.51	4302	0.70	3841	0.59	4582	0.78
MISC. INC. OR EXP.	3277	0.45	3720	0.55	2188	0.35	1121	0.17	2259	0.39
INCOME BEFORE TAX	86481	11.85	70411	10.33	62064	10.04	76027	11.59	58686	10.00
- INCOME TAX	35235	4.83	26650	3.91	26040	4.21	34450	5.25	25280	4.32
INCOME AFTER TAX	51246	7.02	43761	6.42	36024	5.83	41577	6.34	33204	5.68
EXTRAORDINARY ITEM										
NET INCOME	51246	7.02	43761	6.42	36024	5.83	41577	6.34	33204	5.68
EARNINGS PER SHARE	8.88				6.22		6.77			

Shown above is part of an actual Profit and Loss page from the complete print-out.

THE COMPLETE PROFILE

This issue of KSA's *Perspective for Textile Management* contains excerpts from the complete industry Profile, a print-out of approximately 600 pages produced by a computer program developed by KSA.

The full print-out covering five fiscal years ending in 1976 through 1980 is available for in-depth comparison and study. It includes a compilation of five-year average performances in five pertinent ratios for all companies and industry segments.

For each of the companies as well as the eight industry segment composites and the total industry aggregate, the report contains:

1. Balance sheets in both dollars and percentages.
2. Income statements in both dollars and percentages.
3. Statements of changes in working capital.
4. A comprehensive list of ratios, including:

—Current Ratio
—Acid Ratio
—Receivables Turns per Year
—Inventory Turns per Year
—Sales/Inventory
—Return on Sales
—Return on Invested Capital
—Return on Total Equity
—Return on Common Stock
—Return on Net Worth
—Return on Total Assets
—Operating Return
—Cash Flow/Sales
—Sales/Total Assets
—Sales/Net Worth
—Sales/Working Capital
—Fixed Assets/Net Worth
—Current Liabilities/Net Worth
—Total Liabilities/Net Worth
—Long-term Debt/Invested Capital
—Long-term Debt/Net Worth
—Long-term Debt/Common Equity
—Total Debt/Total Assets
—Interest Coverage
—Total Coverage

In addition, composite data for the industry segment groupings are presented in the same manner as the individual company compilations, as sums of all company performances in each group. Comparative data among the companies in each industry segment group are also included.

Industry totals, and data comparing the industry segments with the total industry are also presented, as is a year-to-year percent change analysis for nine pertinent variables for each company, industry segment and composite.

A full print-out is available from KSA at a cost of $300.

Kurt Salmon Associates

management consultants

350 Fifth Avenue, New York, New York 10118 • 400 Colony Square, Atlanta, Georgia 30361
Dallas • Greensboro • Los Angeles • Nashville • Princeton • London • Sao Paulo • Zug

Printed in USA 7M5/81